

# EVIDENCE AND TOOLS FOR THE EFFECTIVE MENTORING OF MICRO, SMALL & MEDIUM ENTERPRISES

## EXECUTIVE SUMMARY



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**Spring Impact** is a non-profit that focuses on scaling social innovations. Spring Impact was born out of the frustration of seeing social organizations constantly reinventing the wheel and wasting scarce resources. Using successful and tested commercial and social principles, while drawing on extensive practical expertise, Spring Impact helps organizations identify, design, and implement the right strategy and business model for scale. For more information on Spring Impact's methodology, see our open-source Social Replication Toolkit: <http://toolkit.springimpact.org>



**Argidius Foundation** is a Swiss-based charitable foundation, which promotes the growth of small, and medium sized enterprises (SME) to improve the lives of the poor through increased income generation. They do this by improving the effectiveness and reach of small and medium enterprise capacity development services. Over the past years, Argidius' partners have reached thousands of businesses in more than 15 countries. For more information on Argidius: <https://www.argidius.com/>



A photograph of a man and a woman in a workshop. The man, on the left, has grey hair and a beard, wearing a light blue button-down shirt and a patterned scarf. The woman, on the right, has dark hair and is wearing a white t-shirt and a white apron. They are both looking down at a small, rectangular card held by the woman. In the background, there are shelves with various items, including a blue object. In the foreground, there is a wooden table with a stack of similar cards and a black plastic crate. The image is framed by a yellow and teal geometric shape in the top left corner and a teal and pink geometric shape in the bottom right corner.

# 1. EXECUTIVE SUMMARY



This document contains recommendations on creating effective micro, small, and medium sized enterprise (MSME) mentoring programs for practitioners and supporters. A key driver for reducing global poverty and unemployment is increasing the growth and sustainability of MSMEs. While technical assistance, financing, and other initiatives can help MSMEs to achieve growth and sustainability, mentoring can also have high returns on investment. This is unsurprising, given mentoring's historic origins in the areas of knowledge sharing and social networks.

Yet there is a lack of consensus on what defines effective mentoring, evidence on good practices, and guidance on implementation. This publication addresses these gaps. Here are the major insights, with supporting findings found in the publication:

### **A Define what mentoring means from the start**

Mentoring practitioners and supporters consistently express the need for a shared language to increase effectiveness. It is common for mentoring to be used interchangeably with coaching and advising. Each has implications for how a mentor can approach a mentee's learning objective. In this report mentoring is defined as:

A mentor focuses on relationship-based guidance, rooted in experience, by questioning, challenging, and encouraging the mentee. Mentoring develops skills, knowledge, and networks to enhance mentees' personal and professional growth (confidence, mindset, etc.). Mentoring can draw upon coaching, advisory approaches.

Within mentoring, there are many modalities (e.g. self-directed, short-term, speed, online, crowd-sourced) and formats (e.g. one-on-one, peer, group). Evidence suggests that including some element of one-on-one mentoring increases MSME growth and sustainability.

### **B Follow six steps to effectively build, operate, and support MSME mentoring**

Implementing and championing good practices is more likely to ensure effective mentoring. The following are stages of the mentoring journey with an one-on-one format in mind.

- 1. Design:** Begin by detailing the ultimate intended success of mentoring. With this vision of success, it is possible to define effective mentoring needs via demand- and supply-side assessments of target communities. After understanding the needs of potential program participants begin to design mentoring program elements and invest into adequate resources, e.g. a skilled program manager.
- 2. Recruitment:** To start establish ideal criteria for the mentor and mentee participants that are likely to achieve the aforementioned vision of success. Critical to recruitment is to then set aside enough resources (e.g. time) and opportunities for potential participants to learn about mentoring.

3. **Mentor training:** Begin by building or refining participant trainings based on critical skills and mindsets to succeed. This is even for experienced mentors. With this foundation it is important to explore initial and ongoing support so mentors can apply their training.
4. **Matching/initial interaction:** To start match participants based on alignment of important factors like business experiences, cultural context, and/or other identities (e.g. gender). Given the importance of matching there should be early and frequent opportunities to assess chemistry and for all parties to revisit the match.
5. **Ongoing interactions:** Begin by setting up and regularly revisiting learning objectives in each interaction. In addition to learning objectives it is advisable to revisit roles and responsibilities in order to establish trust and respect.
6. **Graduation/follow up:** To end the formal mentoring program it is important to assess the experience against indicators on the relationship's value and set any future expectations.

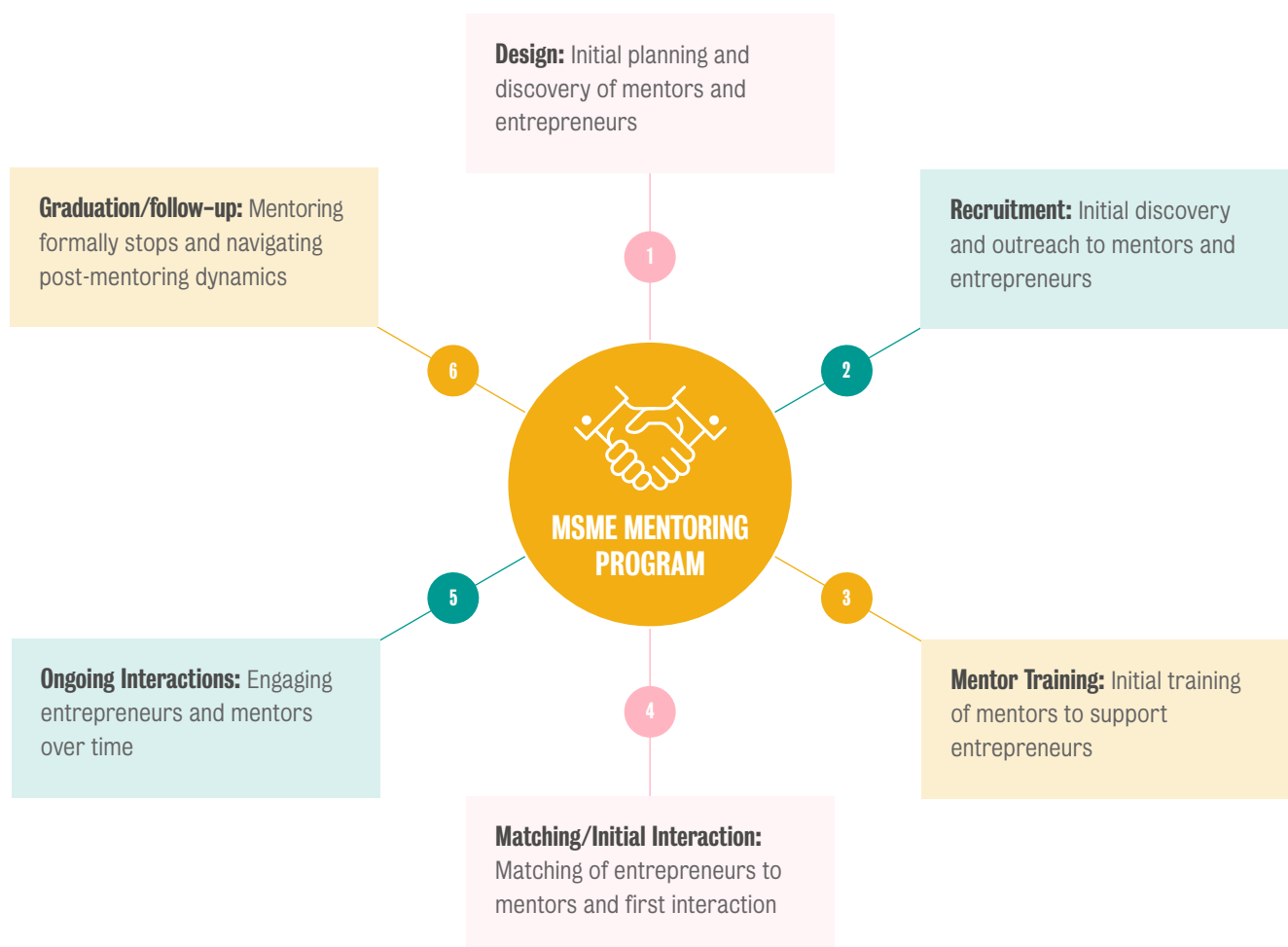


Figure 1: Stages of good practices for a MSME mentoring program

The ambition with these insights is not only to provide immediate support to practitioners, funders and other champions, but also to contribute to a growing recognition of the importance of the mentoring.